# Paradiplomacy CP-Neg

## Provinces CP 1NC

#### Counter Plan—The United States Federal Government should [plan] with the Chinese provincial governments.

#### Engaging end users is key to substantive engagement – the aff fails, but the CP’s opaque mechanism solves and avoids the da

Antholis, senior fellow in Governance Studies, ‘13

(William, "New Players on the World Stage: Chinese Provinces and Indian States," www.brookings.edu/research/essays/2013/new-players-on-the-world-stage#

A More Comprehensive Diplomacy

The growing importance of Chinese provinces and Indian states presents a challenge to both the U.S. government and the private sector. Our leaders and diplomats, bankers and businessmen are accustomed to dealing with countries only through their political and economic capitals. A more effective approach would have at least four dimensions.

First, we would significantly deepen and extend our presence in both countries. The United States is significantly underrepresented, as illustrated by the absence of consulates in Chongqing and Gujarat, as well as Bihar.

As of 2013, there were only six U.S. consulates in all of China—one for every 200 million people—and five in all of India—one for every 240 million. By comparison, the United States has 54 consulates in the EU and 55 consulates in the Western Hemisphere—almost one outpost for every ten million people.

Location of US consulates/ embassy While there will surely be resistance to such a major expansion at a time when our government faces budget deficits and the consequences of sequestration, **our thin official presence** in these developing economies **could** hurt us in the long run. The United States is being short-sighted in overlooking economic and political opportunities in precisely those places—the provinces and states of China and India—that are **most rapidly climbing the economic ladder** and opening up new markets. To be sure, **this will be a delicate diplomatic balancing act**. National leaders will not want western countries to interfere in state and local affairs. But there also will be many cases where Beijing and New Delhi will allow or even urge American states and cities to **help their counterparts integrate into the global economy**.

That points to a second dimension to how to engage with China and India: **we can mobilize the natural diplomats we already have in the form of our own governors and mayors**, **who have the potential to change the way global business is done**. **Many have already begun to lead trade missions to China** and India, and vice versa. Secretary of State Hillary Clinton launched a U.S.-China Governors Forum, with strong encouragement from Jon Huntsman—then U.S. ambassador to China and former governor of Utah. The first forum was in 2011 in Salt Lake City, another was held in early 2013 in Beijing-Tianjin.

China's Premier Li Keqiang (R) shakes hands with California Governor Jerry Brown during a meeting at the Zhongnanhai Leadership Compound in Beijing, April 2013.

Reuters / China Daily The leaders of the United States’ metropolitan revolution have begun dealing with global issues, too, **among them climate change**. And some of them are interested in testing out ideas coming from state and province-based governments in China and India. California Governor Jerry Brown, for one, is looking to China to see how its more advanced, coastal provinces are grappling with issues similar to those he deals with in Sacramento. He is comparing China’s six-province carbon emissions trading program, launched in the fall of 2012, with ideas being developed for emissions trading programs in California as well as in New York and Massachusetts.

In India, the three forward states of Maharashtra, Gujarat, and Tamil Nadu are in the early stages of building bridges to American states. City-to-city collaboration is happening, too. Bangalore, as the high-tech capital of India, is already closely tied to the San Francisco Bay area. Automotive powerhouses in Ahmadabad, Pune, and Chennai are poised to connect directly with Detroit. The biotech revolution spearheaded in Boston and Seattle has natural partners in Chennai and Bangalore, an affinity only now beginning to be exploited. At multiple levels and in many sectors—city- to-city, state-to-state, NGO-to-NGO, university-to-university, business-to-business—there is huge potential to grow the interactions between the countries and promote local growth.

Third, **we need to reset our expectations about what central capitals can do.** **Western diplomats must understand that a handshake in Beijing** or New Delhi is often only the beginning of getting to a final deal. **If we do not take local concerns into account**, **we may be able to get signatures on climate change proposal and trade agreements such as the WTO or the Trans-Pacific Partnership, but in the end they are** doomed to fail.

And if we really want to make progress, we may have to bring key local leaders directly into the negotiations. **That will be a major change** in the way diplomatic business is done. Inviting mayors and governors into negotiating sessions will make those efforts far more complicated, but **it will also increase the chances of eventual success**. Global agreements designed to keep the “end users”—i.e., those most affected—in mind, are those more likely to be enacted.

**The United States is being short-sighted in overlooking economic and political opportunities in precisely those places**—the provinces and states of China and India—that are most rapidly climbing the economic ladder and opening up new markets.

Lastly, western policymakers and corporate leaders need to adopt a more sophisticated and differentiated understanding of governance within China and India. While it is easy—and often appropriate—to see China as a dictatorship, there are people and groups within China working actively toward democracy with Chinese characteristics. Academic and press freedom is far more advanced than many westerners understand—though Chinese government for the most part is still far less transparent than in India. Given the opacity built into the system, the more we know about what is happening in the provinces, the more we will understand the forces operating below the surface of the system.

By actively engaging with the entrepreneurial sector—particularly in the coastal provinces—**we may also be able to better anticipate change.** **The most competitive Chinese private firms** are not seeking to remake the world system in China’s image. Quite the contrary: they want to join the international community as equal partners, and they have as much to gain from the enforcement of property rights—or as much to lose from the lack of enforcement—as businesses elsewhere do. **Over time, those companies may well be the** leading edge **of China’s legal and political reform.**

#### The net benefits of the CP are the aversion of China growth bad DA and the Japan Relations DA.

## Solvency Extensions

#### Subnational Chinese governments **play a role** in foreign relations

**Zhimin 2005** (Chen Zhimin [cred: Ph.D., Professor, Chair of the Department of International Politics, School of International Relations and Public Affairs, Fudan University], 2005, Fudan University, “Coastal Provinces and China’s Foreign policy-making,” http://www.cewp.fudan.edu.cn/attachments/article/68/Chen%20Zhimin,%20Coastal%20Provinces%20and%20China's%20Foreign%20Policy%20Making.pdf)

Newcomers in the International Stage Subnational Governments always played playing a role in foreign affairs, a fact which has been a research focus since the 1980s. Since the early 1970s, many subnational, or non-central governments in federal states and decentralized unitary states began to engage themselves in foreign affairs. U.S. states, Canadian and Chinese provinces, German l?nder, Swiss cantons, and even some Japanese prefectures have become increasingly visible actors in international stage. They send officials abroad and receive foreign visitors; they engage in competitive trade and tourism promotion; they compete for foreign direct investments (FDI); they forge sister-city networks around the world; many of them have set up overseas offices; some of them in western countries even took highly political and controversial measures, such as nuclear-free zone initiatives in 1980s, and economic sanctions against countries like Myanmar in the 1990s. Several high profile subnational governments, like Quebec in Canada, and Hong Kong of China, even are members of international governmental organizations: Quebec as member government of the Sommet de la Francophonie, and Hong Kong as member of World Trade Organization. Students of international relations have been studying the role of non-state actors, like international organizations, transnational companies, NGOs etc., in reshaping world politics. The increasingly salient role of subnational governments in international affairs, from yet another front, challenges the prevailing state-centric view about international relations. Unlike states, subnational governments are not sovereign actors, they do not command army, send and receive ambassadors, usually do not have treaty powers, do not wage war. Unlike other non-state actors, they are governmental and territorially based actors, having legitimate power to extract resources, to regulate and police local affairs within a clearly demarcated area.

### A2: No Chinese Provincial Paradiplomacy

#### Chinese provinces are paradiplomatic

**Tubilewicz 16** (Czeslaw Tubilewicz [cred: senior lecturer at the University of Adelaide, studies relations with East Asian nations], 5-1-16, The University of Adelaide: Foreign Policy Analysis, “Paradiplomacy as a Provincial State-Building Project: The Case of Yunnan’s Relations With the Greater Mekong Subregion,” http://fpa.oxfordjournals.org/content/fpa/early/2016/04/30/fpa.orw022.full.pdf)

Only recently has English-language scholarship recognized the diversity of foreign policy actors—within and beyond the Chinese Communist Party (CCP), the government, and the military—which influence and often shape Chinese diplomacy (Jakobson and Knox 2010; Breslin 2013). Among these newly recognized actors, Chinese provinces have received increasingly more attention. Yet their paradiplomacy, 1 defined as subnational involvement (independently of or in concert with the central government) in international relations in pursuit of specific interests, whether economic, political, or ideational, remains poorly understood. Some scholars either deny Chinese provinces’ engagement in defense or foreign policyissues (Zheng 2007, 66) or consider them of marginal importance (Jakobson and Knox 2010, 32). Others go so far as to suggest that provinces’ international linkages signify the declining relevance of national political boundaries for economic change (Breslin 2000, 205–6) or transform one China into “many Chinese parts facing various worlds” (Womack 2009, 7). Sporadic studies examining—often implicitly—Chinese subnational paradiplomacy consider Chinese provinces as either agents or partners of the central government. Those denying provincial “actorness” focus either on Beijing’s instrumental use of provinces as agents to further its own particular geostrategic objectives in selected (primarily neighboring) regions or on economic benefits that provinces derive from China’s relations with neighboring economies (Dosch and Hensengerth 2005, 274–75; Zhang and Tang 2005, 52–53; Zhao 2010, 374; Cheng 2013, 328; Chen and Stone 2013; Summers 2013, 177–97). Others acknowledge provinces’ economic self-interest in engaging in foreign relations yet classify them as the central government’s junior partners, delegated to implement Beijing’s regional (mostly economic) strategies or requiring Beijing’s consent for their external activities (Harris 2002; Xiong and Wen 2009, 23; Su 2010). Still others insist on a symbiotic central-subnational state relationship: provinces act as the central government’s proactive partners on foreign policy issues and exploit opportunities created by Chinese diplomacy to maximize their economic interests. In turn, the central state creates space for provincial external relations by tasking subnational governments with duties to promote relations with neighboring countries (Cheung and Tang 2001). Calling it “the central-local alliance” (Su 2013a, 1217), Su (2012a, 2012b, 1329) suggests that Beijing deliberately deemphasizes its centralized power structure to create a “networked regional governance” to facilitate provincial development (of Yunnan) by integrating it into a transnational economy (Southeast Asia). For Chen, Jian, and Chen (2010, 335), the rise of local and subnational foreign policy actors in China indicates the (re)emergence of a new multilayered foreign policy system in China

#### Chinese provinces have established international connections

**Tavares 13** (Rodrigo Tavares [cred: head of the São Paulo State Government’s Office of Foreign Affairs], 10-9-13, Foreign Affairs, “Foreign Policy Goes Local: How Globalization Made Sao Paulo into a Diplomatic Power,” https://www.foreignaffairs.com/articles/south-america/2013-10-09/foreign-policy-goes-local)

The key to realizing these new diplomatic goals is what is known as paradiplomacy, or subnational foreign relations. With the strengthening of local power, the world’s major cities, states, and provinces have adopted international policies previously reserved for national governments and mustered resources to ensure the protection of their interests abroad. Baden-Württemberg, California, **Guangdong**, Texas, and São Paulo have more economic ammunition than the vast majority of countries on the planet. California has the ninth-largest economy in the world, ahead of India and Russia; São Paulo ranks 19th, ahead of every country in South America except Brazil itself. With globalization, these subnational governments can no longer fulfill their constitutional responsibilities in education, sanitation, economic development, transportation, the environment, and other areas without interacting with the world. These local authorities rely on the international flow of capital, knowledge, and people to successfully implement their governmental programs. The German state of Baden-Württemberg, for instance, has tapped its expertise in renewable energy sources to become an international technological hub for sustainable development -- and one of the most prosperous regions in Europe. Upper Austria has used its participation in multilateral forums such as the Regional Leaders Summit (an organization that brings together subnational members from seven countries) to boost foreign trade and market its capital, Linz, as one of Europe’s new cultural centers. The United Nations and its numerous agencies, along with the World Health Organization, the World Bank, and other international bodies, have all established guidelines that stress the importance of subnational governments. At the 2012 United Nations Conference on Sustainable Development, also known as Rio+20, participants adopted an agreement recognizing “efforts and progress made at the local and sub-national levels” and “the important role that such authorities and communities can play in implementing sustainable development.” The insularity of the Greek city-states is a thing of the past, along with the absolute centralization of power in national capitals. One cause for the shift is that it would be too expensive and unproductive to strengthen federal ministries of foreign affairs just to cater to the specific interests of local governments. It makes little sense for U.S. Secretary of State John Kerry to spend his time discussing sanitation or international bids for subway lines. Instead, paradiplomacy empowers local and state governments to deal with the international dimensions of these issues on their own. In the past, paradiplomacy was mostly a prerogative of regional governments that flirted with sovereignty, such as Catalonia and Québec. Today, it has become more universal. Just as Flanders and Wallonia did before them, some South African states, including Gauteng and Western Cape, and South Korean provinces, such as Chungcheongnam-do, conduct business abroad and seek formal relations with foreign countries. **Chinese provinces** -- from the rich Guangdong and Shandong to the poorer Inner Mongolia -- **have established large international departments** staffed with well-trained, polyglot bureaucrats.In the state of São Paulo alone, 25 regional states and provinces from North American and European countries have opened local delegations. Canadian, U.S., and German subnational regions have, in total, more than a hundred offices abroad.

### A2: Central Government Blocking

#### Chinese central government leaders like decentralization—Xi is reconsidering his options

**Brown 13** (Kerry Brown [cred: professor of Chinese studies and director of the Lau China institute at King’s College, London], 11-11-13, The Diplomat, “In China, All Politics are Getting More Local,” http://thediplomat.com/2013/11/in-china-all-politics-are-getting-more-local/)

Decentralization of fiscal and political powers in China must be one of the most tempting options for Xi and Li. The sheer difference between provinces in the west, central and eastern areas of the country in terms of their economic, social and ethnic characteristics might be reason enough to contemplate a swift devolution of powers away from Beijing. Despite this, the chaos in the former Soviet Union before and after its collapse as it undertook a similar process gives Chinese leaders plenty of cause for caution. Whatever decentralization of powers Beijing eventually decides upon, some of which may well flow from the November Plenum in 2014 (though as a closed meeting, the outside world may take some time to find this out). The people who sit at the heart of this process, on whose loyalty Xi and Li most rely, are the 3,200 local Party leaders of China. Their powers are likely to expand along with their importance as politics in China enters an era of deeper localization. It is this group of leaders that Xi and Li put the most effort into addressing and building common ideological and political links to. If this group wavers, then so does the whole stability of the project they have embarked on – the creation of an urban, service sector-driven, high consumption, and decentralized economy and polity by 2020.

### BIT Solvency

#### Provincial governments key to foreign investment strategies such as the BIT

**Antholis 13** (William Antholis [cred: nonresident fellow in Governance Studies. He is a former managing director of the Brookings Institution. His academic background is in how democracies conduct foreign policy, and he has served in the U.S. government at the White House and State Department], 10-22-13, Brookings Institute, “New Players on the World Stage: Chinese Provinces and Indian States.” http://www.brookings.edu/research/essays/2013/new-players-on-the-world-stage#

With foreign investment key to its financial future, China wants to find a way to accommodate the outside world, but insists on doing so in a way that feels authentically Chinese and does not diminish the power of the party. Hence Xi Jinping’s reiteration of the authority of the president and the Standing Committee, *and* his willingness to take aim at conspicuously corrupt officials. In short, he wants to preserve the system while eliminating those who abuse it or expose its shortcomings. As this complex process plays out over the years to come, those of us who are dealing with that system from the outside will be doing both ourselves and China a favor if we understand the growing importance of the provinces—not just the dynamics of their relations with Beijing, but their internal dynamics as well.

## Decentralization Net Benefit Cards

### Economic Stability

#### Provincial engagement is key to preserving Chinese economic stability—Beijing will have to look to the provinces to further economic growth

**Stratfor 16** (Stratfor [cred:  Provides strategic intelligence on global business, economic, security and geopolitical affairs], 3-9-16, Stratfor: Analysis, “Bridging the Gap Between China’s Central and Local Governments,” https://www.stratfor.com/analysis/bridging-gap-between-chinas-central-and-local-governments)

Unlike in the United States and other federal systems, where sometimes-disparate policies are made and implemented at the state and local levels, the Chinese policymaking process has long been characterized by centralization and uniformity. The central government designs and decides on nearly all major policies. Because local conditions vary widely even across regions, it is impractical to expect uniform implementation of centrally devised national policies. As Beijing well understands, effective implementation of its wishes requires a degree of openness to local autonomy over how policies are carried out. This arrangement has positive and negative consequences for governance in China. On the one hand, it helps mitigate the friction that inevitably arises when policies made in Beijing are carried out across regions and localities that share little in common with the capital or with one another. On the other hand, it makes pushing through important national reforms exceedingly difficult. As Beijing attempts to move from an economic model geared toward growth at whatever cost to one that prioritizes goals such as work safety, environmental protection and improved social services, these obstacles to effective policy enforcement will take on renewed political significance. In many ways, the policy trends that defined China during the first two decades of Reform and Opening trace back to the fundamental tension between uniform central policymaking and flexible local policy implementation. In the 1980s, Beijing decentralized fiscal and administrative powers, substantially improving the autonomy and power of provinces and localities. Though decentralization may have been necessary to preserve political integrity and spur economic rejuvenation in the wake of the Cultural Revolution, it nonetheless generated new pressures that, by the late 1980s, threatened to undermine the Communist Party's grip on power. In response, the central government recentralized power in the early 1990s. Remarkably, the central-local gap persisted largely unabated under decentralization and recentralization alike, continuing through the 2000s and into the era of President Xi Jinping. The unshakable local deviation from central government mandates reflects China's size and regional diversity. Furthermore, that the gap has endured both hypercentralized and relatively decentralized political conditions suggests a problem not only in the central government's level of authority but also in its structure. If anything, the past 30 years of political reform should dictate that the current political structure, with its high degree of formal central control and informal local autonomy, inherently limits the central bureaucracy's ability to monitor local activities, the enormous improvements in the state's surveillance technologies notwithstanding. Unfortunately, as China's export sector stagnates and construction activity slows, Beijing cannot afford to continue as it has with regard to local government. As the economy slows, ensuring good — or at least better — governance at the local level will become politically imperative, not least because sluggish growth will force the party to justify its continued rule anew: Economic doldrums and poor governance do not make for social tranquility. The gap between central and local interests, and the government's persistent inability to bridge it, perhaps explains past Chinese rulers' attention to what Mao called "correct thought." If local officials cannot be monitored or controlled effectively through professional incentives, then perhaps the best option is to strive for control over their minds. This, after all, was not Mao's idea; its roots run to the very foundations of Chinese dynastic statecraft.

#### China’s economic prosperity is attributed to past instance of decentralization—Xi identifies this

**Antholis 13** (William Antholis [cred: nonresident fellow in Governance Studies. He is a former managing director of the Brookings Institution. His academic background is in how democracies conduct foreign policy, and he has served in the U.S. government at the White House and State Department], 10-22-13, Brookings Institute, “New Players on the World Stage: Chinese Provinces and Indian States.” http://www.brookings.edu/research/essays/2013/new-players-on-the-world-stage#

Xi, like his recent predecessors, is trying to maintain political and ideological control. Yet despite the emphasis on central authority, he is expected to unveil a new set of reforms intended to further unleash the dynamism of industry and entrepreneurship at a local level. In fact, for the last three decades China’s economic success story has rested on allowing decentralization of economic decision-making, even while continuing to emphasize a single, overarching political message. The Politburo does not, as a practical matter, try to engage in hands-on management of the 23 provinces, the four province-like megacities, or the five autonomous regions or special administrative units. That authority lies with dozens of provincial party secretaries, provincial standing committees and governments, each of which adapts national rules to local conditions. And below them at the city, county, and district level, the interpretation of national priorities and rules is even more decentralized.

## T cards

#### The plan includes engagement with the central government. Any inclusion of the central government kills the net benefit of the CP and destroys the perm

**United States Code 06** (United States Code 2006, Vol. 15, etext version, https://books.google.com/books?id=T57ZGCu24t4C&pg=PA152&lpg=PA152&dq=people%27s+republic+of+china+means+the+central+government&source=bl&ots=nlG-E\_5MPE&sig=L-Zwors87UsNxkntcHlSUUGlqi8&hl=en&sa=X&ved=0ahUKEwiL\_c2m29\_NAhULMj4KHfKqCyQQ6AEIPTAG#v=onepage&q=people's%20republic%20of%20china%20means%20the%20central%20government&f=false)

The term “Government of the People’s Republic of China” means the central Government of the People’s Republic of China and any other governmental entity, including any provincial, prefectural, or local entity and any enterprise that is controlled by the central Government or any such government entity or as to which the central Government or any such governmental entity is entitled to receive a majority of the profits.

#### Topical plans must engage the Chinese government---

#### The PRC refers to the State

AAR ‘5

(Absolute Astronomy – Reference Section – online Encyclopedia

http://www.absoluteastronomy.com/encyclopedia/p/pe/peoples\_republic\_of\_china.htm)

The People's Republic of China (PRC) is a state that comprises most of the cultural, historic, and geographic area known as China. (A communist nation that covers a vast territory in eastern Asia; the most populous country in the world) China. Since its founding in 1949, it has been led by the (Click link for more info and facts about Communist Party of China) Communist Party of China (CPC).

# Paradiplomacy CP-Aff

### 2AC Block

#### Perm- do the CP; we never specified what area of China the plan was targeted towards

#### No competition on the CP—the plan includes engagement with the provinces

#### Paradiplomacy has significant consequences—creates a threat of secessionism that creates turmoil

**Kuznetsov 15** (Alexander Kuznetsov [cred: regional manager at the University of Alberta, Canada and has a PhD in political systems and institutional change department from IMT, Lucca, Italy], 2015, Routledge, “Theory and Practice of Paradiplomacy: Subnational Governments in International Affairs,” https://books.google.com/books?id=Zo\_ZBAAAQBAJ&pg=PA115&lpg=PA115&dq=consequences+of+paradiplomacy&source=bl&ots=zwLmWNusNQ&sig=y8KzZKmMF-qp1cj9ArMSgo7ZTaQ&hl=en&sa=X&ved=0ahUKEwi0xLuq\_uPNAhXGlx4KHZgRDo8Q6AEIITAA#v=onepage&q&f=false)

Paradiplomacy bloomed around the world and one can assume that m many ways it became an important factor in the transformation of the foreign and domestic politics of national governments. The mainstream question on paradiplomacy is: what are the consequences of constituent diplomacy for subnational and national development? As it was shown in Chapter 4 of the book, some political scientists do not deny the possibility that constituent diplomacy may for some regions be a step towards secessionism. However, the general assumption of the majority of experts is that the concern about paradiplomacy as a great threat to the unity of a state is usually a big delusion. In this regard John Kincaid reasonably mentions that m those cases when subnational governments use the international arena in order to proclaim their sovereignty or to do other actions as a way to counter official national foreign policy, paradiplomacy is the reflection, but not the cause of the existing domestic conflicts. According to Kincaid, constituent diplomacy is a positive factor for national polities because it brings extra democratization and plurality in the decision-making process. The same opinion on the positive character of cross-border regional cooperation is shared by scholars such as Sol-datos and Atkey, who find that the segmentation of actors and policies in internal relations leads to the rationalization of foreign policy-making. This notion of rationalization in many ways reflects a pro-federalist principle of subsidiarity, i.e., a theory that the central government should delegate on a subnational level all those task that can be effectively performed by constituent units. Thus, we can unmanly distinguish and incorporate in our explanatory pattern two potential positive consequences of paradiplomacy in the scale of national foreign policy I Rationalization of the decision-making process in foreign policy, and 2 Democratization of the decision-making process in foreign policy. Theoretically, the only possible serious risk of paradiplomacy that can be high-lighted is the following, 3 Potential of subnational diplomacy to forward ahead the centrifugal process that may have a place in particular countries. However, the secessionist threat can not be recognized as a high probability outcome. Hence, the closing task in the frames of the case study is [0 think about the impact of the paradiplomacy of an examined region through the lenses of the above-mentioned three potential outputs. The exploration of this domain also necessarily requires expert interviews and thoughtful qualitative interpretation of all evadable data

#### Perm- do both; we can engage the central and provincial governments

### A2: Econ Net benefit

#### Provincial engagement makes passing stabilizing policies more difficult—ensures there will be economic instability

**Feltenstein and Iwata 04** (Andrew Feltenstein [cred: researcher of public economics and macroeconomic reforms] and Shigeru Iwata [cred: professor of economics at the University of Kansas], January 2004, Journal of Development Economics, “Decentralization and macroeconomic performance in China: regional autonomy has its costs,” http://dept.ku.edu/~empirics/Research/feltenstein-iwata\_jde05.pdf)

This paper investigates empirically whether decentralization in China has been beneficial for growth and inflation. Decentralization, whether in the form of fiscal federalism, or in the form of reduced government interference in the private sector, is generally thought to help an emerging economy. Although the devolution of economic power has been a central element in the reform process of many transition economies, there is relatively little empirical work examining the relationship between such decentralization and changes in the macroeconomy. Decentralization may improve allocative efficiency, but it may also make stabilization policies more difficult to carry out. See, e.g., Prudhomme (1994) and Tanzi (1995). China has instituted rapid economic decentralization, and has simultaneously experienced both growth and instability. There is a growing consensus in the academic literature about the mechanisms that create the links between decentralization and economic growth and inflation in post-reform China (Brandt and Zhu, 2000; Jin et al., 1999; Lardy, 1998; Naughton, 1995; Yusuf, 1994). A simplified version of such a mechanism may be described as follows. Although the aggregate effective tax burden may not have changed, fiscal decentralization has caused tax revenues to shift from the central government to regional governments. The regional governments, infused with new revenue, begin to build local infrastructure. This infrastructure encourages investment, both of the non-state as well as the state-owned enterprises (SOEs). The non-state firms tend to respond to the increased local infrastructure with higher rates of investment than the SOEs, given their greater efficiency. As the SOEs attempt to keep up with the rates of investment of non-state firms, a further adjustment occurs. The SOEs, observing the increased rate of capital formation of the nonstate sector, increase their own rate of investment beyond the rate that would be optimal. The SOEs are able to do so because they have access to local bank loans that are not justified on economic grounds. This access to the banking system thereby distinguishes them from the non-state firms.2 The banks that passively grant these loans are themselves financed by discount lending by the People’s Bank. The resulting monetary expansion leads to increased inflation, while the higher output of both the SOEs and non-state enterprises cause an increase in aggregate real income

# SCS CP

## SCS CP 1NC

#### Plan: The United States, all south east Asian nations, Japan and China should adopt and adhere to President Ma Ying-jeou’s South China Sea Peace Initiative and his East China Sea Peace Initiative

#### The ECSPI and the SCSPI, are a middle ground that everyone likes, and it provides the best and only viable, permanent solution to SCS and ECS conflict

**Tsai 15’** Dr. George W. Tsai is a Professor at Chinese Culture University, The Diplomat, August 28, 2015 Taiwan and Its South China Sea Peace Initiative http://thediplomat.com/2015/08/taiwan-and-its-south-china-sea-peace-initiative/

For many years, the international community has been less than fair in its treatment of Taiwan. Nevertheless, the government and people of the Republic of China (ROC) on Taiwan are committed to having their nation be a capable, responsible stakeholder as well as a facilitator and protector of peace in the region and across the Taiwan Strait. On May 26, ROC President Ma Ying-jeou put forth the South China Sea Peace Initiative. This important policy follows up on his 2012 proposal of a similar peace plan for the East China Sea and reflects a longstanding ROC philosophy and approach; as such, it merits global attention. Under the premise that ROC territory and sovereignty are safeguarded, the South China Sea Peace Initiative – which mirrors the East China Sea plan – calls on all parties concerned to shelve sovereignty disputes, exercise restraint, and agree to resolve disputes peacefully, establish a code of conduct, respect the UN Charter and Convention on the Law of the Sea, and jointly develop resources. It also urges the parties to work together on such nontraditional security issues as recue at sea, combating piracy, and humanitarian assistance. Taiwan firmly adheres to this position and offers a viable path **that deserves affirmation**. President Ma mindfully chose this moment to introduce the South China Sea Peace Initiative. The world is now waiting to see whether further action will be taken, and how the parties concerned react to the proposal. First of all are questions of stance and attitude. In considering sovereignty over the South China Sea, during 1946-1947, the ROC government in Nanjing dispatched a naval fleet to these waters to erect a marker, claiming sovereignty over territory in the region and making this claim known to the rest of the world. It then issued maps showing these claims and introducing the 11-dash or so-called U-shaped line. No protests to these claims were voiced at this time. Today, related countries have taken up different positions, but the Republic of China has indicated that – with recognition of its sovereignty over these areas being a precondition – it is willing to put aside the sovereignty dispute and engage other parties in dialogue designed to resolve the dispute and jointly develop resources in the area. This shows that Taiwan is prepared to act in a reasonable, self-restrained, and open-minded fashion. Second, tension has escalated in the South China Sea, where countries concerned have been trying to outdo each other expanding their facilities. Discord between mainland China and the United States has shifted from diplomatic rhetoric to actual friction. The U.S. has sent military aircraft and ships through the region to reassert its position on freedom of navigation. The defense chiefs of the two countries engaged in a heated debate on the South China Sea issue at the recent Shangri-la Dialogue in Singapore. Although conflict is not expected in the near future, tension in the region – before it is alleviated – could spiral upward through controlled escalation. This situation must be carefully addressed and quickly defused. The South China Sea Peace Initiative is therefore a timely proposal by President Ma. After its announcement, the East China Sea Peace Initiative was affirmed directly or indirectly by the U.S. and Japan and, in its wake, Taiwan and Japan signed a much-needed fisheries agreement. The U.S. has responded promptly to the South China Sea Peace Initiative, expressing appreciation through its State Department. This at least reflects the fact that as long as Taiwan takes the middle road, acts rationally and pragmatically, and is willing to communicate through dialogue and peacefully resolve disputes, its efforts will be recognized. Air transit over the South China Sea ought not be interfered with, and all parties ought to exercise self-restraint, respect peace, and engage in dialogue. According to Confucius, virtue does not dwell alone; he who practices it will always have friends**. We** can **foresee that Taiwan’s rational policy** and actions **will receive the support and commendation of more countries**. Looking to the future, although there is a realistic side to international politics and the Republic of China is in an unfavorable situation, we nonetheless hope that the South China Sea Peace Initiative proposed by President Ma would be accepted and acted upon by all parties. Taiwan seeks to participate in a dialogue for peace in the South China Sea in a reasonable way that affords it dignity. Taiwan could help establish a code of conduct acceptable to all parties, put an end to the vicious cycle of impasses, and contribute to peace in the Asia-Pacific region. **Only** **this creates a scenario that benefits all parties**, which is something they should aim to realize soon.

#### The SCSPI’s terms are the way to solve for conflict in the SCS

**Focus Taiwan 1/29** “U.S. acknowledges President Ma's road map for peace initiative” 2016/01/29 <http://focustaiwan.tw/news/aipl/201601290009.aspx>

Washington, Jan. 28 (CNA) The United States said Thursday that it appreciates the road map President Ma Ying-jeou (馬英九) has devised for his South China Sea peace initiative, which urges all parties concerned to be included in a mechanism for talks regarding South China Sea affairs and to cooperate on a variety of issues. "We appreciate Taiwan's call on all claimants to exercise restraint, refrain from taking **any unilateral action that might escalate tensions**, and respect international law as reflected in the Law of the Sea Convention," said Anna Richey-Allen, a spokeswoman for the U.S. State Department's Bureau of East Asian and Pacific Affairs. In an emailed response to reporters' questions about Ma's proposal, Richey-Allen said Washington's position on the South China Sea is principled and long-standing. "While the United States does not take a position on the competing sovereignty claims over land features in the South China Sea, we do take a position that maritime claims must accord with the law of the sea," she said. "We have a strong interest in peace and security, and in the manner in which claimants address their disputes." She said the U.S. does not take a position on the sovereignty of islands claimed by Taiwan in the South China Sea. Her remarks came after President Ma paid a visit to the Taiwan-administered Taiping Island in the South China Sea and proposed a road map for his South China Sea peace initiative, in a speech there. The road map calls on all parties concerned to be included in a mechanism for talks regarding South China Sea affairs, and to cooperate on a variety of issues, such as the conservation and management of biological resources, marine scientific research and crime prevention at sea, the Presidential Office said in a statement Thursday. Ma said the road map is based on a framework of three yeses and three noes: "yes" to cooperation, sharing and pragmatism and "no" to confrontation, monopolizing and intransigence. In the short term, all parties concerned should shelve their disputes, pledge to replace military confrontation with peaceful consultations, refrain from taking actions that might affect stability and peace in the South China Sea, and ensure the freedom and safety of navigation and flights through the region, Ma said. In the mid-term, all parties concerned should cooperate on a variety of issues, such as the conservation and management of living resources, the exploration of non-living resources, marine **environmental protection and scientific research**, crime prevention at sea, and humanitarian assistance and disaster relief, he said. In the long term, Ma proposed a mechanism for "zonal development," meaning that the parties concerned could designate specific maritime areas for bilateral or multilateral development. The road map proposal follows Ma's announcement of a South China Sea peace initiative in May last year. Several countries, including Taiwan, China, the Philippines, Brunei, Malaysia and Vietnam, claim all or parts of the South China Sea.

# BIT HR PIC

## 1NC HR PIC

#### Human rights protections in Bilateral investment treaties are marginal at best.

#### Ye and Bodea no date (Fangjin [PhD Candidate in Political Science @ Michigan State University] and Christina [Associate Professor in the Department of Political Science at Michigan State University and former economist @ the European Central Bank], "Bilateral Investment Treaties (BITs): The Global Investment Regime and Human Rights." [Online] http://wp.peio.me/wp-content/uploads/PEIO9/102\_80\_1432544970788\_Bodea\_Ye\_25\_05\_2015\_peio.pdf) UP

**In the absence of multilateral institutions, BITs have been one of the most visible and powerful legal instruments governing the global growth of FDI (Elkins et al. 2006). These treaties offer strong protection to foreign investors while human rights provisions in BITs are marginal, at best.** Direct investment in a foreign country implies important sunk cost and BITs are designed to address investors’ concern about the future behavior of host states (Elkins et al. 2006). Common policy reversals that are adverse to investors include expropriation of foreign-owned assets and discriminatory changes to performance requirements, capital taxation and regulation, tariffs or social contributions. BITs then aim to guarantee standards of protections for investors such as compensation for expropriation, national treatment of foreign investors or most favored nation treatment. Even more, investors can enforce their rights in a timely manner and through investor chosen venues that are unlikely to favor host states: Early BITs provided investor protection through state to state dispute resolution, via the establishment of tribunals or submission to the International Court of Justice. More recent BITs grant foreign investors the right to adjudicate alleged violation of rights in international tribunals, without the need to exhaust local remedies, and, in case of non-compliance with the arbitration decisions, broad rights to request the confiscation of host government’s property from around the world.10

**Bilateral investment treaties involving the United States will only result in the increasing lack of human rights within those countries**

**Ye and Bodea No Date** (Fangjin [PhD Candidate in Political Science @ Michigan State University] and Christina [Associate Professor in the Department of Political Science at Michigan State University and former economist @ the European Central Bank], "Bilateral Investment Treaties (BITs): The Global Investment Regime and Human Rights." [Online] http://wp.peio.me/wp-content/uploads/PEIO9/102\_80\_1432544970788\_Bodea\_Ye\_25\_05\_2015\_peio.pdf) UP

In contrast to strong investor protection, **very few, if any, BITs mention human rights or associated fields** (Jacob 2010) **and many developing countries would like to see BITs include more obligations for investors** (Milner 2014). For instance, **no explicit reference to human rights is to be found in the country model BIT of** Germany (or **the United States (2004**). An exception is the 2007 draft of the Norwegian model BIT (Jacob 2010), which mentions human rights practices in preambular language.14 However, such preambular wording, by itself, is too weak to compel compliance for either foreign investors or host states. **Related provisions** (labor standards, environmental protection) are **increasingly mentioned in several recent BITs or template for BITs.15 This, however, is still far from the “hard” language seen in Preferential Trade Agreements (PTAs) which explicitly link material benefits to compliance with human rights standards**. 2008), France (2006), China (2003), India (2003), the United Kingdom (2005),

A2: "Our BIT Will Include Human Rights Protections"

#### **Not Normal Means - In previous models of Bilateral Investment Treaties between China and the United States with other countries there has been no mention of human rights so we have to assume that this particular treaty will be no different.**

#### Reiner and Schreuer 09 (Clara Reiner [graduated from the University of Vienna in 2007 and is currently working as a research assistant for Professor Schreuer at the Institute of International Law of the University of Vienna ] and Cristoph Schreuer [Professor @ University of Vienna for international law. 2 degrees. Human Rights in International Investment Law and Arbitration], "Human Rights and International Investment Arbitration," in *Human Rights in International Investment Law and Arbitration*, Pierre-Marie Dupuy, Francesco Francinni, and Ernst-Ulrich Petersmann [Editors] Online. https://international-arbitration-attorney.com/wp-content/uploads/arbitrationlawh\_rights\_int\_invest\_arbitr.pdf) UP

### **It is not impossible for treaties for the protection of investments, such as bilateral investment treaties (BITs), to provide for human rights, but this would be highly unusual. The Model BITs of China** (2003), France (2006), Germany (2005), the United Kingdom (2005) **and the United States (2004) do not mention them.3 Mention of human rights is equally absent from the North American Free Trade Agreement (NAFTA) and the Energy Charter Treaty (ECT), two important multilateral investment treaties**. The ICSID Convention (Convention on the Settlement of Investment Disputes between States and Nationals of Other States) covers procedural and not substantial issues and hence does not address human rights. The most important print source for decisions on international investment law, the ICISD Reports, does not even include the term human rights in its index